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Report Highlights:

WPI inflation may cross 9 percent: Pronab Sen, *PDS quota of wheat and rice increased*, *IMD to launch monsoon mission*, *GM Trials: SC seeks report on safeguards*, *Raise livestock output says Plan Panel*, *Jairam Ramesh locks horns with Pawar over Bt Brinjal approval*, *Government to set up climate panel*, *Bird flu strikes West Bengal again*.

General Information:

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in

subsequent reports from this office. Minor grammatical changes have been made for clarification.

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WPI INFLATION MAY CROSS 9 PERCENT: PRONAB SEN

The Indian economy is likely to grow between 6.5 percent and 7.5 percent in the current fiscal year, Mr. Pronab Sen, the country's Chief Statistician said. The wholesale price index (WPI)-based inflation may exceed 9 percent unless something dramatic happens on the agriculture prices front, he said. The annual WPI based inflation rose to 7.31 percent in December 2009 compared with 4.78 percent in November on higher food prices. Annual food inflation declined marginally to 16.81 percent for the week ended January 9, marginally lower than the 17.28 percent in the previous week. Mr. Sen maintained that easy money policy was not really the reason behind the rising inflation in the economy. (Source: Business Line, 01/22/10)

PDS QUOTA OF WHEAT AND RICE INCREASED

The government decided to increase supplies of wheat and rice to eligible families covered under the Public Distribution System (PDS) by 10 kg per month for January and February 2010 to ease prices of these commodities. The allocation will be over and above the 35 kg of rice/wheat currently supplied to each eligible family. The additional allocation would be made at the government's minimum support prices of Rs. 10.80 per kg for wheat and Rs. 15.73 per kg for rice, which are higher than the prevailing PDS sales prices for various categories of the PDS. The additional grain required for this new initiative will be 2.5 million tons of wheat and 1.1 million tons of rice. (Source: Financial Express, 01/22/10)

IMD TO LAUNCH MONSOON MISSION

In a bid to sharpen monsoon forecasts, the government will soon launch a 'Monsoon Mission' for carrying out focused research across organizations and develop indigenous prediction models. "The Monsoon Mission would be launched for coordinated research to deliver accurate forecasts of the monsoon," the Earth Science Minister said at a function to mark 135 years of the Indian Meteorological Department. (Source: Financial Express, 01/16/10)

GM TRIALS: SC SEEKS REPORT ON SAFEGUARDS

The Supreme Court asked the Central Government to furnish measures taken by the government to protect India's traditional crop varieties from possible contamination by the field trials of genetically modified (GM) crops. When the government counsel tried to assure that there were

adequate rules and regulation in place, the Chief Justice observed that rules can only be in the books and the government should provide the details how they are being implemented. The government has been given four week to report back about the adequacy of the guidelines and rules for clearance of field trials of GM crops. (Source: The Economic Times, 01/20/2010)

RAISE LIVESTOCK OUTPUT SAYS PLAN PANEL

The Planning Commission said that the government needs to work toward increasing the rate of growth of livestock production. The report of the advisory committee on animal husbandry and dairying submitted to the Planning Commission reports that the growth of the livestock sector has decelerating in the last 15 years and there is a need to work towards increasing the growth from the current 3.9 percent to above 5 percent per annum. (Source: The Economic Times, 01/22/2010)

JAIRAM RAMESH LOCKS HORNS WITH PAWAR OVER BT BRINJAL APPROVAL

Differences have surfaced between central government ministers over clearance of Bt brinjal (egg plant). On Wednesday, the Agriculture Minister Sharad Pawar told reporters that an expert committee (Genetic Engineering Approval Committee) had the final say over the approval of Bt eggplant and not the government. Environment Minister Jairam Ramesh retorted in a letter to Minister Pawar that though the expert committee was a statutory body, the government had every right and a basic responsibility to take the final decision. In October 2009 the GEAC ruled that Bt eggplant was safe for commercial cultivation, but Minister Ramesh decided to take a final decision on its approval for commercial cultivation after holding more consultations with stakeholders. The Minister is currently touring several cities and holding public discussions with farmers, scientists and activists. (Source: Mint, 01/22/2010)

GOVERNMENT TO SET UP CLIMATE PANEL

Environment Minister Jairam Ramesh said that a new national climate research body would be formed out of the existing Indian Network for Comprehensive Climate Change Assessment. The new body will be comprised of 250 scientists from diverse disciplines and would leverage resources to produce a series of annual assessments for different sectors. Reacting to the Intergovernmental Panel on Climate Change (IPCC) goof up on the life of Himalyan glaciers, Minister Ramesh said that there is a need for our own scientific capacity, which is networked globally, to look at climate change in terms of sectors and regions. (Source: Financial Express, 01/22/2010)

BIRD FLU STRIKES WEST BENGAL AGAIN

Bird flu has again struck India and this time the epicenter is the Khargram block of the Murshidabad district of West Bengal. Samples of dead birds collected from the Murshidabad district by the Bhopal-based High Security Animal Disease Laboratory have tested positive for the H5 strain of avian influenza. The central government has issued instructions to the state to cull all poultry within a three kilometer radius of Nagar and Hazrabati villages in Khargram block.

Meanwhile, state officials said bird culling in the affected area started Thursday night. In 2008, India reported an outbreak of bird flu from the Birbhum and Dakshin Dinajpur districts of West Bengal after traces of the H5N1 were found in the domestic poultry firms. Within weeks, bird flu cases were reported from other districts as well. The outbreak was termed as the worst case of bird flu in the country. Health officials suspected that chickens and eggs illegally transported from Bangladesh, which itself has been reeling under its own outbreak of Bangladesh, could have been responsible for the spread of disease to India. The virus later spread to Tripura, which also borders Bangladesh and Myanmar. In total, around 41 outbreaks of bird flu were reported from the two states between January and April, the worst being in West Bengal. India reported the first outbreak of bird flu from Maharashtra in 2006. Since then, Gujarat, Manipur, West Bengal and Tripura have also reported the highly dangerous H5N1 outbreaks. These scares have resulted in hits to poultry products sales. (Source: The Financial Express, 01/15/10)

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